

REPORT FROM THE CHAIR 2011-12

2011-12 proved to be a year of transition for SEDI as our CEO, Laura Watts, resigned her position to pursue her interests in elder law. We wish Laura all the best in her endeavours.

Liz Mulholland, a longstanding Board member, was appointed to the position of Interim CEO and, with the support and participation of our dedicated staff team, enabled SEDI to forge a renewed consensus on its mission and to embark on strategic planning process that will culminate in April 2012.

During this time, SEDI experienced a significant setback when Casey Cosgrove, the creator of SEDI's Canadian Centre for Financial Literacy and its Director, was diagnosed with cancer. While Casey has taken an extended medical leave, his passion and leadership continue to inspire the Centre's team and his vision to animate our efforts to build a comprehensive system of relevant, accessible and high quality financial literacy education and supports for vulnerable Canadians. We look forward to welcoming Casey back soon.

Despite the above challenges, SEDI has enjoyed a very successful year in other respects. Through our **Canadian Centre for Financial Literacy (CCFL)**, we have continued to build the capacity of community organizations across Canada to deliver quality financial literacy education programs to low-income Canadians.

This year, CCFL staff trained over 660 frontline staff from over 140 community organizations, bringing the total number of CCFL-trained community workers to over 1,498 in 51 communities across Canada. This growing network has enabled thousands of economically vulnerable Canadians to acquire the knowledge, skills, and confidence they need to manage their resources effectively and to begin building a strong financial foundation for their future. This work would not have been possible without the generous support of our core funder, the TD Bank Group, together with the Ontario Trillium Foundation and RBC Foundation.

The CCFL team has also been working hard in collaboration with government, private sector and community delivery partners to strengthen the field of community-based financial literacy education. These efforts have included:

- Working with over 90 financial literacy practitioners and researchers across Canada to develop and pilot a comprehensive set of financial literacy monitoring, evaluation, and reporting tools for use by community organizations. This work was generously supported by the Investment Industry Regulator of Canada (IIROC).
- Integrating financial literacy education into settlement programs for newcomers with the support and collaboration of Citizenship and Immigration Canada and frontline settlement agencies.

- Assisting the Financial Consumer Agency of Canada to test its financial life skills curriculum, *The City*, in community based settings.

The CCFL has also played an active role in fostering awareness and public dialogue with respect to financial literacy through its participation in the Financial Literacy Action Group (FLAG), a collaborative effort to coordinate the activities of some of Canada's leading financial literacy organizations. Through FLAG, and in collaboration with the Hon. Jim Flaherty, Minister of Finance, we helped to launch Canada's first annual Financial Literacy Month. As part of this effort, the CCFL conducted a series of *Conversations with Community* with its stakeholders across Canada to determine how we can continue to build the field of financial literacy for low-income Canadians.

The CCFL's work has been closely complemented by that of our **TD Financial Literacy Grant Fund** which made grants totalling over \$1.7 million to 26 organizations in August 2011 and February 2012. Completing its second year of operation, the Fund has cumulatively granted \$4.1million to 55 projects nationwide. As with its first year, the Fund experienced tremendous demand and received 293 applications requesting \$21.2 million. This reflects the continued interest among frontline organizations across Canada in expanding the financial education and supports they can provide to their clients. The range of applicants and funded projects also continues to demonstrate the importance of financial literacy as a field of learning and practice that benefits an extraordinary diversity of low-income groups and populations. This year's projects included work with at-risk and homeless youth, marginalized young mothers, remote and rural populations, people with learning disabilities, aboriginal communities, newcomers, and people affected by mental health issues.

Learning from these projects about the diverse financial literacy needs of Canadians, and innovative approaches to meeting these needs, is being captured and integrated into the work of the CCFL on an ongoing basis and shared with our growing network of practitioner, research and policy partners. This learning is also being brought to bear on SEDI's ongoing **Savings and Asset-building Initiatives** which continue to demonstrate the combined power of financial literacy education and incentivized savings programs to transform the lives of vulnerable Canadians. This year our focus has been on expanding our existing Independent Living Account program and adapting it to meet the needs of new target groups, specifically youth in care and residents of community housing.

SEDI's **Independent Living Account (ILA) Program** for residents of transitional housing in Toronto is now heading into its 6th year with funding support from the City of Toronto, the TD Bank Group and private donors. To date, over 350 individuals from 8 Toronto transitional housing facilities have received ILA program supports – financial literacy education, access to an incentivized savings program, and case management. Of these over 300 opened a bank account and together have saved over \$100,000. One hundred and forty-seven of these have already graduated from the program and moved out of the shelter system into permanent housing, using their savings and matching incentives for first and last months' rent, employment supports and utility hook-ups.

Building on this success, and with the support of a Toronto Community Foundation Vital Idea Award and grant, SEDI launched Canada's first **Independent Living Account (ILA) pilot for youth in care** in cooperation with the Toronto, and Toronto Catholic, Children's Aid Societies. Through this initiative, over 300 youth in care, foster parents, and case workers will receive financial literacy education and capacity building and a further 20 youth will participate in an incentivized savings program aimed at helping them to attain post-secondary education, job training and the funds to move into stable, independent housing. The impacts of this program will be assessed by our research partner, the Child Welfare Institute.

Under a new funding partnership with the Ontario Housing Services Corporation, SEDI also began enrolment of participants in **START (Saving Towards Attaining Real Transformation)**, an applied research pilot that will examine the impact of financial literacy supports and an incentivized savings plan in enabling those living in social housing to gain post secondary education or job training, start a small business, move to a lower subsidy or market-rate rental unit, or purchase a home. This project will enrol up to 500 participants in Ottawa, Windsor and North Bay.

SEDI's ground breaking asset building work has attracted the attention of Canadian policy makers, media and partners, as well as organizations internationally that are concerned with financial security and empowerment. As a result, SEDI has participated in a broad range of media events and speaking engagements, sponsored by organizations such as the Federal Reserve Bank of Cleveland, the National Council of Welfare, the Assembly of First Nations and CTV's Business News Network.

None of SEDI's work would be possible without the support of our government, philanthropic and corporate partners, as well as our individual supporters. To this end we would like to recognize and thank the:

TD Bank Group
Financial Consumer Agency of Canada
Citizenship and Immigration Canada
City of Toronto
Housing Services Corporation
Investment Industry Regulator of Canada

Ontario Trillium Foundation
RBC Foundation
Toronto Community Foundation
Margaret and Gordon Fleming Fund
Family of Frederick Salter Greene

We would also like to acknowledge and thank our many community delivery partners and members of the financial literacy and asset building practitioner, research and policy communities who have graciously shared their expertise, data, and insights with us and otherwise assisted us in our research, capacity building, and policy work.

In recognition of this support, SEDI pays close attention to the stewardship of the funds it receives, respecting all agreements governing their disbursement, adhering to conservative investment practices, and applying appropriate financial controls and Board oversight to our day-to-day operations.

As a result, as of March 31, 2012, SEDI's financial position was solid with a sustainability fund of \$555,686, providing flexibility in the event of unforeseen financial challenges. As well, the organization received a clean year-end audit report with no issues of materiality identified by the auditor. Steps taken to diversify revenue sources continue to yield a good balance of funding support from different sectors and we continue to launch new programs and initiatives that are indicative of the continued strength of SEDI and its reputation with key funding partners.

As we move into the next year and complete our strategic planning process, we will remain vigilant in managing our resources to position SEDI for continued stability and long term sustainability in the face of ongoing economic uncertainty. At the same time, we will continue to pursue an ambitious innovation agenda aimed at strengthening economic opportunity for low-income Canadians.

John Capozzolo
Chair of the Board